

SPECIAL DOCUMENT SECTION  
~~ARMY SERVICE FORCES~~  
HOLABIRD SIGNAL DEPOT

IN REPLY REFER TO:

BALTIMORE 19, MD.

ADDRESS ALL COMMUNICATIONS  
COMMANDING OFFICER

SDS

16 December 1946.

Subject: Outline of Lecture to be given to the General Council on SDS Operation.

To: Central Intelligence Group  
Room 2262A  
New War Department Building  
21st Street NW  
Washington, D. C.  
Attn: Colonel Sheffield Edwards

1. Inclosed herewith is a copy of the outline of the lecture to be given to the General Council sometime in December which I referred to you in my last visit to your office. This outline is a condensation of the lecture given the Strategic Intelligence School at the War Department, at which you were present.

2. Also inclosed is SDS Special Report #2 dated 29 November 1946 which contains the titles of all German top level documents used in the compilation of SDS reports and card files. SDS Special Report #3 which is inclosed, shows to what extent the documents listed in Special Report #2 covers intelligence requirements on Industrial subjects in the USSR.

3 Incls.  
Incl 1 - Cy of Outline for Lecture  
Incl 2 - SDS Spec Rep #2  
Incl 3 - SDS Spec Rep #3

Major, GSC  
Chief, SDS

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(Ten-minute talk to be given to General Council)

The Special Document Section which is part of the Exploitation Branch, Intelligence Group of the Intelligence Division was set up in the latter part of May 1946 at Holabird Signal Depot, Baltimore. The mission of this section is to exploit captured German documents, and to a lesser extent Russian documents captured by the Germans, dealing with the economy of the USSR. Research projects were established according to the intelligence requirements of Eurasian Branch of Intelligence Division and corresponding sections of Air Intelligence Division. Research on the USSR was to be conducted on the following:

- I. Atomic Energy
- II. Machine Tool Industry
- III. Railroads
- IV. Shipbuilding
- V. Telecommunications

Twenty-three U. S. Intelligence agencies were contacted and all relevant, available material from German sources ~~was~~ borrowed by SDS for study, correlation, and translation. The main fault in the handling of documents during the war became obvious, again. Too many agencies had found and retained documents during operations in 1944-46, (Example - Key Doc List) without realizing that the other organizations might have need for the same material. For example, the files of the German Economic Office which contain a wealth of information on Russia were retained in Germany for the Nuremberg Trials until July 1946.

A similar job of coordination was effected during a visit to G-2 USFET and G-2 USFA and also in England.

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Now that all agencies in the United States and overseas which are dealing with the economy of the USSR had been consulted, it was safe to assume that all material bearing on the above mentioned projects had been or will become available to SDS. Fifty-six reports and translations had been produced by the end of September. (Example - reports) (Key Doc List # 2).

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Following this period of coordination SDS projects were revised and simplified. The main effort was placed on the Industrial card file project.

SDS is now carding all data on all conceivable types of industrial installations, including power plants, factories, shipbuilding yards, railway repair shops etc. A total of 87 different types of installations will be included. For the first time full coordination was effected with Eurasian Branch, A-2, ONI, State Department, and overseas agencies which receive SDS ICF cards, and they in turn channel their information to SDS. (Example - ICF -) This project will include some 35,000 cards when completed. It is planned that in the final phase of the ICF project atlases will be published showing concentration of industries, types and capacities. IBM card files will be established based on correlated information. At that time overall reports will be produced dealing with specific types of industry as well as the economic potential of the USSR as a whole.

A second project of importance is the SDS Railroad project. It will attempt to provide a handbook on Russian Railways, which will give all available information on the economic use of railways, rail capacities, railway yards, shops, bridges, tunnels, etc. Forty-six individual reports will be published, one on each Russian railway line. This will provide means of recording any additional data which may be received in the future. Railways must be considered as one of the most important factors in the reconstruction and expansion economy of the USSR. The railways will undergo a parallel reconstruction and expansion, and thus the railways will be a measuring stick of the expansion of Russian economy. Waterways and roads are similarly regarded as an important factor in Russian economy.

The remaining SDS projects (of former projects I-V) are being continued actively but they have moved down on the list of priorities because of the fact that little information is to be derived on them in German documents. These are telecommunications, shipbuilding and atomic energy, and reports on these subjects are continually produced. (Examples - shipbuilding, telecommunication and Gaelin reports.)

It is visualized to attach to SDS a small group of German specialists who were concerned with the economy of the USSR during the war to help assist in the final stages of evaluation of the bulk of data collected by SDS.

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By the end of May 1947 it is expected to have the latest German intelligence picture of the Economy of the USSR, reconstructed. In some cases the information will have been brought up to date by means of current sources - Russian newspapers which are subjected to close scrutiny at SDS. Information from newspapers is circulated within SDS and to interested agencies outside by means of BC cards. (Example - BC card) Other sources of information are also reaching the master files at SDS through the exchange of intelligence as outlined in the ICF project.

With this foundation which is based on the most reliable and most recent data from German sources it is believed that it will be possible to continue intelligence on the economy of the USSR within a well established framework.

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